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October 22, 2001

Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 01-277: Application by BellSouth for Authorization to Provide In-Region InterLATA Services in Georgia and Louisiana

Dear Ms. Salas:

Enclosed for filing are the comments of WorldCom, Inc. in the above-captioned section 271 application of BellSouth for the states of Georgia and Louisiana. Please call me with any questions.

Sincerely,

Keith L. Seat

Enclosures

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by BellSouth	)	
for Authorization to Provide In-Region,	)	CC Docket No. 01-277
InterLATA Services in Georgia and Louisiana	)	
	)	

COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY BELLSOUTH FOR AUTHORIZATION TO PROVIDE IN-REGION, INTERLATA SERVICES IN GEORGIA AND LOUISIANA

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October 22, 2001

INTRODUCTION AND EXECUTIVE SUMMARY

BellSouth's section 271 application for Georgia and Louisiana is plainly inadequate and should be denied based on a clear failure to meet the requirements of the competitive checklist in either state. While the application is an improvement, in some respects, on BellSouth's previous filings, BellSouth's pricing remains well above TELRIC and its OSS is still grossly deficient. If the FCC were to approve this application with the numerous critical defects in BellSouth's OSS, the Commission would be establishing a new low for permissible OSS. Never before have OSS defects of the magnitude that infect the systems in Georgia been unremedied at the time of section 271 approval.

The implications of premature approval with these very significant defects is two-fold. First, CLEC entry, including WorldCom's commercial entry into the residential UNE-P market which began in May, will be seriously jeopardized. Second, since BellSouth asserts that the Georgia systems are the model for the rest of the BellSouth region, the FCC will be severely impeding the possibility of viable local competition in the entire BellSouth region. Indeed, approval of the defective OSS in Georgia would undermine the impressive efforts of the Florida Commission to carry out a much more credible OSS testing process than was undertaken in Georgia. BellSouth's OSS in Georgia cannot possibly qualify as an adequate baseline for the entire region.

With the prodding of the Georgia Commission, BellSouth has taken some steps toward opening local markets to competition, and WorldCom was able to begin providing local residential service in part of Georgia in May 2001. But commercial experience has revealed customer-impacting problems in BellSouth's systems that seriously limit the prospects for effective, sustained competition. Instead of working with WorldCom to resolve these matters, BellSouth is attempting to push this application through the FCC, in the hopes it will never have to remedy OSS deficiencies that other BOCs long ago resolved.

Based on WorldCom's three years of experience in local residential markets in various states with different legacy systems, we are acutely aware of exactly what a BOC must provide for effective and sustainable local competition. As discussed in section I of our comments, there are serious, ongoing problems with BellSouth's systems in Georgia that are worse than in any state for which a section 271 application has been granted by the Commission. While quite technical in their specifics, these real-life problems have wide-ranging impacts that can be grouped as follows:

- Loss of dial tone is the most critical issue – both for safety and convenience – and occurs with 3% of WorldCom's customers, generally within a relatively short period from migration from BellSouth. BellSouth has no excuse for this problem. The Georgia Commission has ordered that it be fixed, but the effectiveness and stability of such a fix will not be known until at least January 2002. In the meantime, customers who lose dial tone are understandably quick to give up on local competition.

- Missing service information must be provided by BellSouth to avoid double billing, ensure maintenance and repair, and resolve customer care issues caused by BellSouth problems including missing notifiers, missing line loss reports, and delays in posting to billing.

- Excessive delays in processing orders harm consumers by causing confusion and inconvenience, and prevent them from enjoying the benefits of local competition, while improperly raising CLEC costs. BellSouth's delay-related problems include excessive manual processing, pre-order and order systems that cannot be integrated, excessive rejects, and failure to provide direct "interactive agent" communication with CLECs.

- Systems changes by BellSouth are certain to harm CLEC customers due to BellSouth's inadequate processes for making changes to its OSS (both to implement changes that could help CLECs and to give needed warning of other changes) and BellSouth's lack of an independent test environment for ensuring changes will not impact live customers.

Although WorldCom has direct commercial experience with the flaws in BellSouth's systems – the best kind of OSS evidence available – the Commission need not rely solely on WorldCom's experience in Georgia to understand the magnitude of these problems. The Florida Commission is conducting a thorough third-party test of BellSouth's current OSS systems and has substantiated these problems. Indeed, even the limited Georgia third-party test of an earlier version of BellSouth's OSS revealed several of these problems, yet they have not been adequately fixed. It is telling that both the Georgia and Louisiana Commissions recognized the importance of many of these OSS issues and are requiring BellSouth to make corrections in coming months. Unfortunately, instead of resolving these remaining OSS issues and presenting this Commission with an application demonstrating a track record of successful implementation of these changes, BellSouth seeks premature section 271 authorization based on future promises and rhetoric.

Finally, BellSouth intends for Louisiana's OSS to ride Georgia's coat-tails – tattered though they are – but fails to provide independent third-party verification that its OSS is identical in the two states, which have different legacy systems. Never before have two states been found identical without sharing a common legacy system, and here it is clear that there are significant differences.

As discussed in section II, BellSouth must also address problems with its unbundled network element ("UNE") rates, which restrict WorldCom from offering consumers a choice for local service anywhere in Louisiana (where basic loops are as high as $48.43 and UNE-P as much as $49.62) and in part of Georgia. The Commission's action on UNE rates in this application will likely set the ceiling for price levels in the entire southeast. In order for local residential competition to become a reality, the rates must be set in accordance with cost-based principles. Key pricing issues include:

- Confusion over TELRIC principles. BellSouth's approach to relying on different IDLC/UDLC technologies to model the cost of loops depending on their intended use shows a basic misunderstanding of how to determine forward-looking cost-based rates, and improperly increases loop prices.

- Excessive "loading" factors. BellSouth relies on huge loading factors which more than double the cost of BellSouth UNEs and which are not open to scrutiny. But it is clear from comparing the variations in loading factors in different BellSouth states for the same UNEs that BellSouth cannot justify these factors.

- Improper Daily Usage Feed ("DUF") charges. BellSouth is not sending accurate DUF information to WorldCom, and then seeks double recovery of DUF charges at high rates that significantly increase consumer bills.

There are other pricing problems relating to fill factors and cost of switch features, among others, that improperly boost the cost of BellSouth's UNEs. While the materials submitted in BellSouth's application do not permit precise calculation, it is clear that these errors make a difference of several dollars a month per line, which is often enough to make or break the fragile prospects for local competition.

BellSouth should have resolved these OSS and pricing issues prior to filing this application, and the Commission must now insist that BellSouth actually comply with the requirements of its orders and the Telecommunications Act in order to achieve the conditions that will promote sustainable competition in Georgia and Louisiana. Unfortunately, BellSouth is not working cooperatively on issues that need resolution, so the Commission should not assume that BellSouth will later do anything that it is not compelled to do prior to obtaining section 271 authority. In short, BellSouth's application should be rejected, and BellSouth should re-file a credible application after it has complied with the competitive checklist.

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TABLE OF CITATION FORMS

FCC Orders	
Kansas-Oklahoma Order	In re Application of SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, CC Docket No. 00-217, Memorandum Opinion and Order, FCC 01-29 (rel. Jan. 22, 2001), petition for review filed, Sprint Communications Co. v. FCC, No. 01-1076 (D.C. Cir. filed Feb. 16, 2001)
Local Competition Order	In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket Nos. 96-98 & 95-185, First Report and Order, 11 F.C.C.R. 15499 (1996).
Louisiana I Order	In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Louisiana, CC Docket No. 97-231, Memorandum Opinion and Order, 13 F.C.C.R. 6245 (1998).
Louisiana II Order	In re Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long-distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana, CC Docket No. 98-121, Memorandum Opinion and Order, 13 F.C.C.R. 20599 (1998).

Massachusetts Order	In re Application of BellSouth New England Inc., Bell Atlantic Communications Inc. (d/b/a BellSouth Long Distance), NYNEX Long Distance Company (d//b/a BellSouth Enterprise Solutions), And BellSouth Global Networks Inc., For Authorization to Provide In-Region, InterLATA Services in Massachusetts, CC Docket No. 01-9, Memorandum Opinion and Order, FCC 01-130 (rel. April 16, 2001).
Michigan Order	In re Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-137, Memorandum Opinion and Order, 12 F.C.C.R. 20543 (1997).
New York Order	In re Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Services in the State of New York, CC Docket No. 99-295, Memorandum Opinion and Order, 15 F.C.C.R. 3953 (1999), aff'd, AT&T Corp. v. FCC, 220 F.3d 607 (D.C. Cir. 2000).
Pennsylvania Order	In re Application of Verizon Pennsylvania, Inc. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-region, InterLATA Services in Pennsylvania, CC Docket No. 00-138, Memorandum Opinion and Order, FCC 01-269 (rel. Sept. 19, 2001).
South Carolina Order	In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina, CC Docket No. 97-208, Memorandum Opinion and Order, 13 F.C.C.R. 539 (1997), review denied, BellSouth Corp. v. FCC, 162 F.3d 678 (D.C. Cir. 1998).
Texas Order	In re Application by SBC Communications Inc., Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas, CC Docket No. 00-65, Memorandum Opinion and Order, 15 F.C.C.R. 18354 (2000).
Declarations and Affidavits	
Frentrup Decl.	Declaration of Chris Frentrup on Behalf of WorldCom (Tab B hereto).
Caldwell Aff.	Affidavit of D. Daonne Caldwell on Behalf of Verizon (BS-GA & LA App. A, Tab D).

Lichtenberg, Desrosiers, Kinard & Cabe Decl.	Joint Declaration of Sherry Lichtenberg, Rene Desrosiers, Karen Kinard & Richard Cabe on Behalf of WorldCom (Tab A hereto).
Stacy Aff.	Affidavit of William N. Stacy on Behalf of BellSouth (BS-GA & LA App. A, Tab T).
Other Record Materials	
Ex. PM-1	Georgia Service Quality Measurement Plan (Attachment to Declaration of Alphonso J. Varner on Behalf of BellSouth (BS-GA & LA App. A, Tab U)).
Ex. PM-2	Georgia MSS May 2001 (Attachment to Declaration of Alphonso J. Varner on Behalf of BellSouth (BS-GA & LA App. A, Tab U)).
Ex. PM-3	Georgia MSS June 2001 (Attachment to Declaration of Alphonso J. Varner on Behalf of BellSouth (BS-GA & LA App. A, Tab U)).
Ex. PM-4	Georgia MSS July 2001 (Attachment to Declaration of Alphonso J. Varner on Behalf of BellSouth (BS-GA & LA App. A, Tab U)).
Florida Exemption(s)	KPMG Consulting, BellSouth Florida OSS Testing Evaluation (Sept. 2000) (Att. 4 to Joint Declaration of Sherry Lichtenberg, Rene Desrosiers, Karen Kinard & Richard Cabe on Behalf of WorldCom).
Florida Observation	KPMG Consulting, BellSouth Florida OSS Testing Evaluation (Sept. 2000) (Att. 4 to Joint Declaration of Sherry Lichtenberg, Rene Desrosiers, Karen Kinard & Richard Cabe on Behalf of WorldCom).
Georgia MTP	KPMG Final Report, Master Test Plan, BellSouth Florida OSS Testing Evaluation - Georgia (March 20, 2001) (Att. OSS 77 to Affidavit of William N. Stacy on Behalf of BellSouth).
Georgia STP	KPMG Final Report, Supplemental Test Plan, BellSouth Florida OSS Testing Evaluation - Georgia (March 20, 2001) (Att. OSS 78 to Affidavit of William N. Stacy on Behalf of BellSouth).
Pate Alabama Testimony	Transcript of Louisiana PSC Administrative Hearing Vol. II, Docket No.U-24714-A, April 24, 2001(Att. 27 to Joint Declaration of Sherry Lichtenberg, Rene Desrosiers, Karen Kinard & Richard Cabe on Behalf of WorldCom).

Stacy Dep.	Deposition of William Stacy, In re Application of BellSouth Telecommunications, Inc., to Provide In-Region InterLATA Services Pursuant to Docket No. 9-55 Section 271 of the Sub1022 Telecommunications Act of 1996 (N.C. Pub. Util. Comm'n Sept. 28, 2001) (Att. 7 to Joint Declaration of Sherry Lichtenberg, Rene Desrosiers, Karen Kinard & Richard Cabe on Behalf of WorldCom).

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COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY BELLSOUTH FOR AUTHORIZATION TO PROVIDE IN-REGION, INTERLATA SERVICES IN GEORGIA AND LOUISIANA

BellSouth's application is plagued by both OSS and pricing issues that must be resolved before BellSouth may properly receive in-region interLATA relief for an "anchor" state to which other BellSouth states will be compared. WorldCom's primary focus in these comments is on the issues that prevent or limit robust local competition – or any local competition at all – especially for residential customers.

I. BELLSOUTH MUST RESOLVE IMPORTANT OSS DEFICIENCIES

WorldCom launched local telephone service for residential customers in part of Georgia in May 2001 using combinations of unbundled elements ("UNE-P"), based on plans that had been in place for more than six months. WorldCom has gained substantial experience with BellSouth's OSS, as we have turned up more than 60,000 local residential lines in Georgia. WorldCom hopes to continue to expand service in Georgia and to serve other states in the BellSouth region. But even apart from pricing problems discussed below, which limit WorldCom's marketing to a single zone, WorldCom is very concerned that the OSS problems we are already experiencing will expand dramatically if we (or other competitive local exchange carriers ("CLECs")) significantly increase the volume of orders transmitted to BellSouth in the region. The scope and viability of WorldCom's entry over the long term in Georgia and other BellSouth states remains very much in question if current levels of OSS problems continue, let alone if OSS problems grow with increasing volumes of orders from multiple CLECs in multiple BellSouth states.

BellSouth has made some progress in the three years since this Commission rejected three separate BellSouth section 271 applications based largely on its failure to offer acceptable OSS. Unfortunately, BellSouth still does not satisfy checklist item two (47 U.S.C. § 271(c)(2)(B)(ii)) by allowing WorldCom and other CLECs to compete on an equal footing, with BellSouth providing reasonable and nondiscriminatory access to its OSS. See, e.g., Texas Order ¶¶ 94-98; New York Order ¶¶ 83-87.[1]

Many of the OSS problems identified in the prior orders rejecting BellSouth's 1997 and 1998 applications remain today, and additional ones have arisen. As shown by WorldCom's commercial experience,[2] these issues are not merely theoretical, but cause serious and ongoing harm to consumers and local competitors. As discussed below, BellSouth causes excessive numbers of WorldCom's customers to lose dial tone; BellSouth fails to provide necessary service information (fails to return firm order commitments ("FOCs"), rejects and completion notices on many orders, transmits inaccurate line loss reports, and fails to update its billing records); and

1 The Commission has consistently found that nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition. See, e.g., Massachusetts Order ¶ 43. In an application to provide long distance service, the applicant has the burden of proving that it provides such non-discriminatory access. See FCC Public Notice DA 01-734, Updated Filing Requirements for Bell Operating Company Applications Under Section 271 of the Communications Act, at 4 (issued Mar. 23, 2001) (citing WAIT Radio v. FCC, 418 F 2d 1153, 1157 (D.C. Cir. 1969).

BellSouth causes excessive delays in processing transactions (it manually processes too many orders, does not offer integratable pre-ordering and ordering interfaces, rejects too many orders, and refuses to use "interactive agent").

Both the Georgia and Louisiana Commissions recognized important flaws in BellSouth's OSS and ordered BellSouth to implement systems changes to resolve these problems. Hopefully, BellSouth make these changes. But BellSouth should have done so before, not after, applying for section 271 authorization.

Underlying all of these problems is the fundamental challenge of obtaining help from BellSouth. BellSouth has contracted out much of its OSS to third-party vendors, making it far more difficult for CLECs to obtain help in resolving customer-impacting problems with BellSouth's OSS. Moreover, BellSouth's flawed change management process precludes CLECs from obtaining needed changes to the OSS and allows BellSouth to make changes to its OSS systems (including billing systems) without notifying CLECs.

Finally, it is important to note that even if BellSouth's OSS were ready in Georgia, there is no reason to believe it is ready in Louisiana. BellSouth has little commercial experience in Louisiana; there has been no third-party test in Louisiana; and there are known differences between BellSouth's OSS in Georgia and Louisiana. BellSouth cannot rely solely on its Georgia experience to show Louisiana OSS is ready.

A. Loss of Dial Tone Is Unacceptable

For a new local competitor, nothing is more critical than maintaining dial tone for its

2 As the Commission has stated, OSS-readiness is best shown by commercial experience, New York Order

customers. Reliance on UNE-P means that this should not be difficult, since the same facilities are typically used before and after migration of a customer to the CLEC. Yet as of late September, nearly 2000 WorldCom customers in Georgia had reported loss of dial tone (or in some cases the inability to receive calls) on their lines – 3% of WorldCom's customers. Of these customers, 536 lost dial tone within 10 days of migration and 1,214 lost dial tone within 30 days. In each case, the customer had working phone service before being migrated to WorldCom and then lost dial tone after migration. It is highly unlikely that this many customers would have lost dial tone shortly after migration if BellSouth's migration process were working as it should be. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 41.) And this problem appears to be getting worse as our daily sales volumes increase. Other CLECs, including AT&T, IDS, New South, Birch and Network Telecom, also have complained about loss of dial tone.

The impact of lost dial tone on customer convenience and safety is obvious. Moreover, of the customers who have lost dial tone, 8% have left WorldCom, according to the line loss reports we receive – many shortly after losing dial tone. Indeed, in some instances, the notes from the BellSouth technicians on the trouble tickets submitted by WorldCom state that the customers left WorldCom before the technicians even had the chance to investigate the troubles.[3] (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 42.)

Flaws in BellSouth's migration process are almost certainly responsible for much of the lost dial tone. Ordinarily, a very small percentage of customers lose dial tone – far fewer than

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¶¶ 53-54, or barring that, an independent, third-party test. Texas Order ¶ 98.

3 It is worth noting that in approximately one-third of the cases in which the technician made such a note, WorldCom never received a loss notification, suggesting that the percentage of customers with lost dial tone that have left WorldCom may be significantly higher than 8%. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 42.)

the 3% that have lost dial tone since WorldCom entered the Georgia market in May.[4] A UNE-P migration should never cause a loss of dial tone as there is no need to disconnect the customer. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 43.)

BellSouth has acknowledged that one reason WorldCom customers are losing dial tone is the two-service-order process it uses to process migrations. BellSouth's process uses a "D" order to disconnect the customer's old service and an "N" order to establish new service with the CLEC. Deposition of William Stacy, September 28, 2001 ("Stacy Dep.") ¶ 263. If those orders are not related and properly sequenced through the entry of specific codes by the BellSouth systems – or, for manually processed orders, by the BellSouth service representative – the customer may lose dial tone. Indeed, as BellSouth witness Ronald Pate acknowledged, the N and D order must be correctly sequenced when they (1) reach the Loop Facility Assignment Control System ("LFACs"); (2) reach the switch; (3) reach the Service Order Control System ("SOCS"), and (4) reach the Customer Record Information System ("CRIS").[5] Pate Alabama Testimony at 939-45. At any of these stages, if the orders are not properly sequenced, "the potential exists for them to lose dial tone." Pate Alabama Testimony at 945; see also id. at 933-34. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 44-45.)

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4 WorldCom has asked BellSouth how many of its retail customers lose dial tone in a given period of time. BellSouth initially told WorldCom that this information was in PMAP but, when WorldCom could not find the information, BellSouth later told WorldCom it would not provide the information. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 43, n.10.)

5 The sequencing of the N and D orders can be incorrect if they do not include the proper "RRSO FID," the code used to relate the orders. Pate Alabama Testimony at 935-940. The possibility that the RRSO FID will not be placed on the N and D orders is particularly high when a Local Service Request ("LSR") falls out for manual intervention. In that case, the RRSO FID must be placed on the N and D orders manually, and humans inevitably make mistakes. As BellSouth's witness explained, "as long as you have someone touch it, there is always the potential for human error." Pate Alabama Testimony at 36; see also id. at 46-47. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 45.)

BellSouth has confirmed that 10 out of a sample of 140 lost dial tone cases it reviewed resulted from the two-order process. Nonetheless, BellSouth has attempted to minimize the problem by stating that in the remaining 130 cases, BellSouth tested the line and found no trouble, or concluded that the problem was unrelated to the customer's migration to WorldCom and would have happened in any event. An analysis of BellSouth disposition codes on trouble tickets WorldCom has submitted similarly shows that BellSouth generally claims the loss of dial tone did not exist when BellSouth tested the line or that the trouble was caused by defective wire pairs or other problems. But the fact that in some cases the customer's dial tone was restored by the time BellSouth tested the line does not mean that the customer never lost dial tone; indeed, it is very unlikely that the customer called WorldCom to report a non-existent problem. It is much more likely that the lost dial tone caused by processing of the D order was later restored by processing of the N order.[6] As for BellSouth's claim that many of these customers would have lost dial tone in any event as a result of inside wiring or other problems, it strains credulity to believe that so many customers would suddenly experience problems with their inside wiring or cable pairs shortly after migrating to WorldCom. If the two service-order process is not the cause, it is likely that some other aspect of BellSouth's migration process is. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 46.)

The significant problem WorldCom is experiencing with lost dial tone does not appear to be captured in BellSouth's performance measures. The definitions in BellSouth's metrics appear to preclude it from associating troubles caused by the two-order process with the CLEC

6 Indeed, in one case (404-767-2774), the BellSouth closure report stated "tested OK, came clear" even though the Account Team later told WorldCom that this customer lost dial tone as a result of the BellSouth two-order process.

experiencing those troubles. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 47.) Moreover, even if BellSouth properly associated the trouble report with the CLEC that submitted it, BellSouth often would exclude the report from its measure. BellSouth excludes from its measurement troubles it classifies as caused by customer premises equipment – without any way for the CLECs to know that BellSouth had concluded that a particular instance of dial tone loss was caused by customer premise equipment, or to verify that BellSouth's assessment is accurate. Ex. PM-1 (P-9).

Finally, it is important to note that KPMG opened Exceptions 86.1 and 89.9 in Georgia (Georgia STP (PMR4-13-1, 5-11-2)) and Exception 27 in Florida regarding the accuracy of BellSouth's measure of provisioning troubles within 30 days, and these issues have not been retested. (Stacy Aff. ¶¶ 561-63.)

BellSouth must reduce the significant number of customers losing dial tone after UNE-P migrations. There is no reason why so many customers should be losing dial tone after such migrations. The solution may well be to eliminate the two-order process. Indeed, in 1998 BellSouth had a two service order process for resale that, like its present UNE-P process, used both an N and a D order. That process caused a loss of dial tone for customers, which WorldCom discovered in testing. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 49.) After WorldCom filed a complaint with the Georgia Commission, BellSouth moved to a single order process for resale because "disconnects were a necessary albeit unfortunate side effect of BST's old customer migration system." (Georgia Commission Order in Docket No. 6865-U, December 28, 1998, at 19-21, Att. 10 to Lichtenberg, Desrosiers, Kinard & Cabe Decl.)

(Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 46.)

BellSouth should have moved to a single order process for UNE-P as well, but chose not to do so. Both the Louisiana and Georgia Commissions have now ordered BellSouth to move to a single order process – in Georgia by January 5, 2002. But BellSouth should have made this change prior to applying for section 271 authorization. There is no way ahead of time to assess whether BellSouth will make this change successfully, and BellSouth is already claiming that it cannot implement the change by January. Moreover, it may be that even after the change, too many CLEC customers will continue to lose dial tone. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 50.) Until BellSouth manages to reduce the lost dial tone, it should not be granted section 271 authority.

B. Missing Service Information from BellSouth Harms Consumers

BellSouth fails to provide needed service information to CLECs. The absence of this information causes substantial consumer harm, including double billing, confusion as to maintenance and repair responsibility, and unnecessary delay. The OSS problems include missing notifiers; missing line losses reports, and delays in BellSouth updating its billing records. These are important issues that can quickly taint the reputation of a new local competitor.

1. Missing Notifier Problem Is Already Evident

Despite the relatively low level of local competition in the BellSouth region, BellSouth already has a significant problem in Georgia with missing notifiers – FOCs, rejects, and completion notices that BellSouth simply fails to return. WorldCom experienced similar problems in New York and Pennsylvania. In those states, Verizon worked to minimize the problem and eventually succeeded, but BellSouth has yet to take similar steps to resolve the problem. Thus, WorldCom is extremely concerned that the problem will escalate significantly as ordering volumes increase. Missing notifiers are already causing substantial difficulties for WorldCom and its customers.

The problem with missing notifiers developed soon after WorldCom launched service in Georgia in May and has increased subsequently. As of October 4, WorldCom was missing 733 notifiers in Georgia. It was missing 311 confirmations/rejects – 123 of which have been missing since July. It was also missing 422 completions – 274 of which have been missing since July.[7] BellSouth has great difficulty in re-flowing missing notifiers and, more remarkably, refuses to re-transmit missing notifiers to WorldCom except in conjunction with infrequently scheduled EDI releases.[8] (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 70-72, 82.) Thus, for example, BellSouth recently told WorldCom that it would not re-flow additional notifiers until November 3, in conjunction with its next release, leaving WorldCom unsure of the status of hundreds of orders for weeks to come.

KPMG identified similar problems during third-party testing. In Florida, KPMG opened Exception 105 on September 21, 2001 because KPMG had not received required notifiers. Florida Exception 105. Similarly, during re-testing in Georgia, KPMG found that BellSouth did

7 Neither SBC nor Verizon have anywhere close to this number of missing notifiers even though order volumes in those regions are far higher. In Pennsylvania and New York combined, for example, 114 notifiers were missing as of October 16.

8 The number of missing notifiers decreased on October 5 after BellSouth finally re-flowed many of the notifiers that had previously been missing. The number of missing notifiers then began to increase again, however. As of October 16, WorldCom was missing 184 FOCs/rejects and 346 completion notices. BellSouth often takes weeks or

not return completion notices on 14% of EDI orders for which KPMG expected a completion notice, and 16% of TAG orders. Stacy Aff. ¶ 489; Georgia MTP O&P 1-2-1, 2-2-1. Despite this enormously high failure rate, KPMG closed the Exception it opened on this issue stating only that "no subsequent re-testing activities are planned." Georgia MTP O&P 1-2-1, 2-2-1. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 72.)

The missing notifier problem is likely to grow significantly worse if BellSouth does not identify the root causes and eliminate them.[9] At present, ordering volumes in Georgia remain relatively low compared to other states WorldCom has entered and Georgia is the only BellSouth state in which BellSouth is processing any substantial volume of UNE-P orders. If order volumes grow substantially, the number of missing notifiers is likely to grow substantially as well. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 74.) Indeed, in New York, WorldCom found indications of a potential problem with missing notifiers before Verizon's section 271 application was approved for that state. KPMG identified a problem as well, but Verizon was not forthcoming about the cause of the problem and KPMG closed the exception without adequate resolution. As this Commission is well aware, the problem grew to vast proportions subsequent to section 271 approval. Many tens of thousands of notifiers were missing by the time the New York PSC and FCC were able to get Verizon to reduce the problem. It is vital to ensure that this experience is not repeated in Georgia and other BellSouth states. (Lichtenberg,

months to re-flow notifiers, while in New York Verizon is to resolve them in three days. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 72, 82.)

9 BellSouth has not responded adequately to the problem of missing notifiers. In early June, WorldCom requested routine meetings with BellSouth subject matter experts to discuss missing notifiers. BellSouth did not agree to begin such meetings until mid-August, however, and even then, not all of the necessary experts were present and the "experts" who were present did not have extensive knowledge of EDI or of BellSouth's systems. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 76-78.)

Desrosiers, Kinard & Cabe Decl. ¶ 74.)

As the Commission knows, the impact of delayed and missing notifiers on CLECs is severe. The NYPSC found that Verizon's missing notifiers significantly delayed customers' ability to move their service to CLECs. If CLECs do not receive a reject, for example, they do not know that they must clarify an order and re-transmit it. Similarly, if CLECs do not receive a completion notice, they must assume that BellSouth has not yet completed the order. Thus, WorldCom has been unable to bill (or process maintenance requests for) the hundreds of customers for whom notifiers have been missing since July, and some of these customers were never migrated to WorldCom in the first place.

The problem with missing notifiers is compounded by the inadequacy of BellSouth's metrics related to notifiers. BellSouth has no measure that tracks whether it returns completion notices on all orders. BellSouth does attempt to measure whether it transmits all FOCs and reject responses, but states that this metric is not yet reliable. Ex. PM-1 (O-11); Stacy Aff. ¶ 357. It is no wonder that BellSouth does not want to rely on this metric because it appears to confirm that there are significant problems.[10] BellSouth has a metric to measure whether its provisioning completion notices (which it calls simply completion notices) are late, but this measure does not capture whether completion notices are missing.[11] In New York, when the problem with missing notifiers arose, Verizon adopted (in conjunction with the FCC and NYPSC) several new

10 In July, BellSouth returned FOCs and rejects on only 85.6% of UNE orders, far below the 95% benchmark (which itself is far too generous). Ex. PM-4, 0-11. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 82.)

11 BellSouth does not even provide billing completion notices. Indeed, although WorldCom proposed in change management that BellSouth provide billing completion notices, BellSouth has refused to do so, stating first that billing is not covered by change management, and then stating that it will add a billing completion notice only when the OBF determines that this is a required notifier. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 83.)

performance measures to track the problem. In any event, BellSouth failed to meet the average completion notice interval for UNE-P orders in May, June, or July. Exs. PM 2, 3, 4 (Item B.2.21). (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 83-84.) (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 82-83.)

BellSouth's problem with missing notifiers is disturbing. That problem is already causing WorldCom to devote significant resources to tracking these notifiers and attempting to obtain them from BellSouth. Even more problematic is BellSouth's inability to respond effectively to the missing notifiers. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 85.) The result is that WorldCom is unable to work rejects (causing delays for customers), unable to bill customers for long periods of time (causing confusion and eventual large bills for consumers or lost revenue for WorldCom), and unable to process maintenance requests for its customers.

2. Numerous Line Loss Reports Are Missing

The need for BellSouth to provide CLECs with accurate line loss reports is critical, as the Commission recently recognized (Pennsylvania Order ¶ 52), for without the reports a CLEC will continue to bill an end user even after the customer has discontinued service with the carrier. But BellSouth is failing to submit line loss reports for a significant number of customers. WorldCom periodically evaluates all of its customer information for a randomly selected list of customers. Each time, it found a significant number of customers who were not listed as WorldCom customers in the Customer Service Record ("CSR") even though WorldCom had not received line loss reports from BellSouth to indicate that the customers had left WorldCom for another carrier. BellSouth subsequently acknowledged that most of the customers had left WorldCom but that BellSouth had failed to transmit line loss notification. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 86-87.)

Similarly, WorldCom's list of customers that have lost dial tone shows 34 trouble tickets on which the BellSouth technician commented that he or she was unable to work the trouble ticket because the customer had already left WorldCom; yet WorldCom has not received line loss notifications for 12 of these customers. This is more than one-third of the customers for which WorldCom clearly should have received such notifications.[12] (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 89.)

The impact of missing line loss reports is severe. Without a line loss report, WorldCom does not know to stop billing the customer. The customer is therefore billed by both WorldCom and the customer's new carrier. Indeed, several of the customers that WorldCom discovered in its audits subsequently called WorldCom to complain about double billing. Other customers have called to complain about double billing as well. BellSouth's response has been utterly inadequate and illustrates other BellSouth problems discussed in these comments. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 90-93.)

3. Delays in Posting to Billing Cause Harm

Consumer harm also results from BellSouth failing to update its billing systems properly and rapidly. WorldCom has managed to identify customers who migrated to WorldCom but whose billing data was not updated by BellSouth. WorldCom has discovered that either a "hold file" problem or an "N" and "D" problem will delay updates to BellSouth's billing systems. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 95-97.) Until the billing system is updated, the CLEC will not receive any daily usage information on the customer since BellSouth's systems still view the account as belonging to BellSouth. Even more importantly, both

12 WorldCom must extrapolate from such limited data because it has no other way of determining the level of inaccuracy of the reports. BellSouth has no metric to measure inaccuracies in its line loss reports and presents no

BellSouth and the CLEC will transmit bills to the customer. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 97.)

The problem with discrepancies between the information in BellSouth's billing systems and information in its other systems is very similar to problems WorldCom has experienced elsewhere. It is similar to the LMOS problem that arose in the SWBT region. It is also similar to one part of the missing notifier problem in New York. All were caused in part by failures of service codes to update backend systems.

With BellSouth, the CLEC has no easy way of knowing whether BellSouth has properly updated its billing systems. The only way to find this information would be to check each and every customer CSR through the BellSouth systems to determine which ones have not been updated to reflect WorldCom as the billing party, but this is a practical impossibility. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 98.) Thus, WorldCom does not know the extent of this problem. BellSouth, unlike Verizon, does not provide billing completion notices that would inform CLECs that the billing system has been updated.

Because these delays in posting to billing clearly must be rectified, WorldCom requested in change management that BellSouth provide billing completion notices to alert CLECs to orders that do not make it through the billing change process. BellSouth's change control team refused to agree to WorldCom's request, stating that billing issues are not covered by change management and later that it would not issue BCNs unless they were adopted by industry standards bodies. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶¶ 99-100.)

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data suggesting those reports are accurate. (Lichtenberg, Desrosiers, Kinard & Cabe Decl. ¶ 89.)